

## Message Text

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ACTION EA-12

INFO OCT-01 EUR-12 ISO-00 COM-04 SP-02 ICA-20 AID-05  
EB-08 NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01  
CIAE-00 FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06  
LAB-04 SIL-01 L-03 H-02 PA-02 /126 W  
-----042165 071025Z /12

R 070509Z JUL 78  
FM AMEMBASSY CANBERRA  
TO SECSTATE WASHDC 3738  
INFO AMCONSUL BRISBANE  
AMCONSUL MELBOURNE  
AMEMBASSY PARIS  
AMCONSUL PERTH  
AMCONSUL SYDNEY  
AMEMBASSY WELLINGTON

UNCLAS SECTION 1 OF 2 CANBERRA 5335

USOECD

E.O. 11652: N/A  
TAGS: OECD, EFIN, ETRD, ELAB, EALR, AS  
SUBJ: ECONOMIC INDICATORS - AUSTRALIA

REF: (A) CANBERRA 3202 (B) CANBERRA 1102 (C) 76 STATE 270634  
(D) CANBERRA 4626

1. SUMMARY AND COMMENT: THIS IS MONTHLY TRANSMITTAL OF CURRENT ECONOMIC INDICATORS AS REQUESTED IN REF (C). COMMENCING WITH THIS TRANSMITTAL AS OF POSSIBLE USE TO A GREATER NUMBER OF END-USERS, EMBASSY HAS GIVEN DEFINITION, BASE PERIOD AND VALUE OF EACH INDICATOR.

2. EARLIER ON IN THE PERIOD THERE HAD BEEN A FEW VERY TENTATIVE INDICATIONS THAT THE AUSTRALIAN ECONOMY MIGHT AT LAST BE BEGINNING A LONG-DELAYED UP-SWING. AS HAS SO OFTEN HAPPENED IN RECENT YEARS,  
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HOWEVER, RELEASE OF SUBSEQUENT INDICATORS COULD ONLY LEAD ONE TO CONCLUSION THAT HOPED FOR IMPROVEMENT HAS YET TO MANIFEST ITSELF, ALTHOUGH SOME OBSERVERS ARE STILL HOPEFUL FOR THE JUNE QUARTER. THERE WAS SOME DEGREE OF OPTIMISM WHEN MARCH CPI INCREASE OF ONLY 1.3 PCT. (REF A) WAS ANNOUNCED (8.2 PCT. OVER PREVIOUS YEAR). ALTHOUGH UNEVEN PROVISIONAL MARCH QUARTER GDP FIGURES SEEMED TO SHOW SOME SIGNS OF IMPROVEMENT WITH AN OVERALL QUARTERLY GROWN OF

2.9 PERCENT IN CONSTANT DOLLAR TERMS, SEASONALLY ADJUSTED, AND NEGATIVE DECEMBER QUARTER FIGURES WERE REVISED UPWARD. ALTHOUGH PRIVATE EXPENDITURE ON DWELLINGS CONTINUED TO BE DEPRESSED, SPENDING ON OTHER BUILDING AND CONSTRUCTION WAS UP BY 0.5 PERCENT IN REAL TERMS FOR QUARTER AND - SPURRED ON NO DOUBT BY IMPENDING PHASE-OUT OF 40 PERCENT INVESTMENT ALLOWANCE - OTHER FIXED CAPITAL EXPENDITURE ROSE BY 4.2 PERCENT. ANOTHER POSITIVE SIGN WAS SEEN IN FACT THAT SHARE OF COMPANY PROFITS IN GNFP WAS UP FROM 12.6 PCT. IN DECEMBER QUARTER TO 13.8 PCT. IN MARCH QUARTER, ALTHOUGH THIS LONG WAY FROM GOVERNMENT'S HOPED FOR EVENTUAL RETURN TO "TRADITIONAL" 17 PERCENT LEVEL.

3. SOME GDP FIGURES GAVE, HOWEVER, MORE THAN A LITTLE CAUSE FOR UNEASE. PRIVATE EXPENDITURE ON DWELLINGS FELL IN REAL TERMS BY 7.3 PERCENT IN MARCH QUARTER, THE FIFTH SUCCESSIVE QUARTERLY FALL WHICH REPRESENTED A DROP OF 15.3 PERCENT FOR THE YEAR. OTHER REASONS FOR EXAMINING THE MARCH QUARTER GDP FIGURES WITH CAUTION WERE THE LARGE STATISTICAL DISCREPANCY OF A DOLS 492 MILLION AND FACT THAT IMPORTS WERE UP BY 7.2 PERCENT WHILE EXPORTS WERE DOWN BY 8.9 PERCENT (ALTHOUGH SOME OF THIS MAY HAVE BEEN DUE TO TIMING OF SHIPMENTS). AUSTRALIAN BALANCE OF PAYMENTS FIGURES CONTINUED TO BE UNCERTAIN. ON PRELIMINARY FIGURES, BALANCE OF PAYMENT IN CURRENT ACCOUNT WORSENERD IN MAY AND CURRENT ACCOUNT DEFICIT THROUGH MAY WAS A DOLS 496 MILLION, OR 29 PERCENT HIGHER THAN SAME PERIOD LAST YEAR. INVISIBLES CONTINUED TO WEAKEN (UP 7 PERCENT IN ELEVEN MONTHS TO MAY OVER YEAR BEFORE), WHILE DURING SAME UNCLASSIFIED

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PERIOD EXPORTS UP ONLY 4.6 PCT WHILE IMPORTS UP 8.4 PERCENT. ON OVERALL BASIS BALANCE OF PAYMENTS WAS SHORED UP IN MAY BY A DOLS 99 MILLION DUTCH LOAN WHILE INFLOWS OF PRIVATE CAPITAL REMAINED MODERATELY STRONG.

4. ALSO ON NEGATIVE SIDE WAS FACT THAT ANZ BANK SEASONALLY ADJUSTED INDEX OF INDUSTRIAL PRODUCTION FOR APRIL SHOWED NO MOVEMENT FOR SECOND MONTH IN A ROW AND WAS AT SAME DEPRESSED LEVEL AS IN APRIL THE YEAR BEFORE. UNEMPLOYMENT LEVEL FOR APRIL, STILL ABOVE 6 PERCENT, REMAINED UNACCEPTABLY HIGH AND SHOWED NO SIGNS OF SIGNIFICANT EARLY DECREASE. ON JUNE 7, CONCILIATION AND ARBITRATION COMMISSION GRANTED FULLY INDEXED 1.3 PCT. FLOW ON TO ALL WAGE EARNERS, DESPITE GOVERNMENT AND EMPLOYER PLEAS FOR CONTINUED "PLATEAU" OR PARTIAL INDEXATION. (REF B).

5. GOA CURRENTLY IN THROES OF CONSULTATIONS ON FY79 BUDGET WHICH WILL BE BROUGHT DOWN WHEN PARLIAMENT RESUMES ON AUGUST 15. FROM ALL INDICATIONS, BUDGET WILL CONTINUE TO BE EXTREMELY LEAN WITH GOVERNMENT CONTINUING TO BE PREOCCUPIED WITH FIGHT AGAINST INFLATION AND SIZE OF DEFICIT. ALTHOUGH GROWING NUMBERS IN STATE GOVERNMENTS, ACADEME, AND EVEN IN BUSINESS ARE INCREASINGLY PUSHING FOR PUMP-PRIMING ACTIVITIES AIMED AT SUCH SECTORS AS HOUSING, CONSTRU-

CTION (WHICH WOULD THUS HOPEFULLY INCREASE EMPLOYEMENT), GOVERN-  
MENT HAS SHOWN NO SIGNS THUS FAR THAT IT HAS ANY INTENTION  
OF CHANGING THE OVERALL STRATEGY THAT IT HAS FOLLOWED SINCE ITS  
ENTRY INTO OFFICE IN DECEMBER 1975.

6. A. INDUSTRIAL PRODUCTION INDEX, 1963-64 EQUALS 100; NOV-174;  
DEC-150; JAN-123; FEB-168; MAR-163; APR-163.

? . GROSS NATIONAL PRODUCT - NO NEW FIGURES AVAILABLE.

C. GROSS DOMESTIC PRODUCT - A DOLS MILLION, DEC QTR - 24,140;  
MAR QTR-21,692.

D. RETAIL SALES - A DOLS MILLION - FEB-1770; MAR-1949; APR-1910.

E(I). PRODUCTION OF IRON ORE, '000 TONNES, DEC QTR-24,285.

E(II) PRODUCTION OF COAL, '000 TONNES, DEC-5329; JAN-4721;  
FEB-6704.

E(III) PRODUCTION OF ELECTRICITY, MIL. KWH, FEB-6420;  
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MAR-7091; APR-6855, MAY-7672.

E(IV) PRODUCTION OF AUTOMOBILES, '000, FEB-34.7; MAR-37.2;  
APR-33.1; MAY-38.1.

F. CONSUMER PRICE INDEX, 1966-67 EQUALS 100, MAR QTR-242.7

G. WHOLESALE PRICE INDEX, 1966-69 EQUALS 100, DEC-212.4, JAN-  
213.5; FEB-215.6; MAR-217.1; APR-218.8.

H. EXPORT PRICE INDEX, 1959-60 EQUALS 100, DEC-209; JAN210,  
FEB-212; MAR-214.

I. MONEY SUPPLY, M1, A DOLS MILLION, JAN-11,268; FEB-11,283;  
MAR-11,465; APR-11,435.

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EB-08 NSC-05 TRSE-00 SS-15 STR-07 OMB-01 CEA-01

CIAE-00 FRB-01 INR-10 NSAE-00 XMB-04 OPIC-06

LAB-04 SIL-01 L-03 H-02 PA-02 /126 W

-----042218 071025Z /12

R 070509Z JUL 78

FM AMEMBASSY CANBERRA

TO SECSTATE WASHDC 3739

INFO AMCONSUL BRISBANE

AMCONSUL MELBOURNE

AMEMBASSY PARIS  
AMCONSUL PERTH  
AMCONSUL SYDNEY  
AMEMBASSY WELLINGTON

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J. MONEY SUPPLY, M2, A DOLS MILLION, JAN-21,507; FEB-21,728;  
MAR-22,259; APR-22,081.  
K. MONEY SUPPLY, M3, A DOLS MILLION, JAN-38,827; FEB-39,195;  
MAR-39,763; APR-39,517  
L. SAVINGS BANK INTEREST RATE, JAN FEB MAR APR - 3.75 PERCENT.  
M. FIXED DEPOSIT INTEREST RATE, JAN-FEB MAR APR - 8.25 PERCENT  
N. GOVERNMENT EXPENDITURES, A DOLS MILLION, MAR-2162; APR-2071;  
MAY-2460.  
O. GOVERNMENT RECEIPTS, A DOLS MILLION - MAR-1737; APR-2875;  
MAY-3492.  
P. GOVERNMENT SURPLUS/DEFICIT, A DOLS MILLION - MAR-MINUS 425;  
APR - 786; MAY-1032  
Q. LABOR FORCE, '000, FEB QTR-6409; MAY QTR-6394.  
R. UNEMPLOYED, '000, FEB-477.0, MAR-420.3; APR-401.7; MAY-392.8.  
S. UNEMPLOYMENT RATE, AR-6.3 PERCENT; APR-6.2 PERCENT; MAY-6.1  
PERCENT.

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T. WAGE INDEX, ADULT MALES, 1954 EQUALS 100; DEC-527.3; JAN-527.3;  
FEB-535.1; MAR-535.1.  
U. EXPORT VALUE, A DOLS MILLION, FEB-943, MAR-958; APR-1004;  
MAY-1045.  
V. IMPORT VALUE, A DOLS MILLION, FEB-854; MAR-991; -04-899,  
MAY-1020.  
W. NET OFFICIAL MONETARY MOVEMENTS, A DOLS MILLION, MAR-365;  
APR-MINUS 9.  
X. FOREIGN EXCHANGE RESERVES, A DOLS MILLION, FEB-1435; MAR-1731;  
APR-1747.  
Y. PRIVATE EXTERNAL DEBT: NO NEW FIGURES AVAILABLE.  
Z. PUBLIC EXTERNAL DEBT, NET OVERSEAS BORROWINGS; ADOLS MILLION,  
MAR-0.9; APR-288.3; MAY-112.0.  
ALSTON

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## Message Attributes

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